

AUG 23 1995

CLERK

No. 95-26

IN THE
Supreme Court of the United States
OCTOBER TERM, 1995

HERBERT MARKMAN AND POSITEK, INC.,
Petitioners,
v.
WESTVIEW INSTRUMENTS, INC. AND
ALTHON ENTERPRISES, INC.,
Respondents.

On Petition for a Writ of Certiorari to the
United States Court of Appeals
for the Federal Circuit

REPLY BRIEF OF PETITIONERS

Of Counsel:

LEWIS F. GOULD, JR.
STEPHAN P. GRIBOK
Eckert Seamans Cherin
& Mellott
1700 Market Square
Suite 3232
Philadelphia, PA 19103
(215) 575-6000

WILLIAM B. MALLIN
Counsel of Record
TIMOTHY P. RYAN
TIMOTHY S. COON
Eckert Seamans Cherin
& Mellott
600 Grant Street
42nd Floor
Pittsburgh, PA 15219
(412) 566-6000

Attorneys for Petitioners
Herbert Markman and
Positek, Inc.

TABLE OF CONTENTS

	Page
TABLE OF CONTENTS	i
TABLE OF AUTHORITIES	ii
A. The Decision Below Announced a General Rule That Juries May Never Interpret Patents	1
B. The Decision Below Is Wrong on the Merits. .	3
C. A Pending Reexamination Proceeding Is Irrelevant.	8
CONCLUSION	10

(ii)

TABLE OF AUTHORITIES

Cases	Page
<i>Alan Tracy, Inc. v. Trans Globe Imports</i> , 1995 U.S. App. LEXIS 14253 (Fed. Cir. June 2, 1995)	2
<i>Ex parte Anderson</i> , 21 U.S.P.Q. 2d 1241 (B.P.A.I., 1991)	8
<i>Bell Communications Research, Inc. v. Vitalink Communications Corp.</i> , 55 F.3d 615 (Fed. Cir. 1995)	2
<i>Bischoff v. Wethered</i> , 76 U.S. (9 Wall) 812 (1870) . .	7, 8
<i>Brooks v. Steele</i> , 14 R.P.C. 43 (1896)	4
<i>Coupe v. Royer</i> , 155 U.S. 565 (1895)	7
<i>Elf Atochem North America, Inc. v. Libby-Owens Ford, Inc.</i> , 1995 WL 467522 (D. Del., Aug. 4, 1995) . . .	9
<i>Ethicon, Inc. v. Quigg</i> , 849 F.2d 1142 (Fed. Cir. 1988)	9
<i>GPAC, Inc. v. D.W.W. Enterprises, Inc.</i> , 144 F.R.D. 60 (D.N.J. 1992)	9
<i>Graco, Inc. v. Binks Manufacturing Co.</i> , 1995 U.S. App. LEXIS 16520 (Fed. Cir. June 30, 1995)	2
<i>Granfinanciera, S.A. v. Nordberg</i> , 492 U.S. 33 (1989) .	5

(iii)

Page

<i>Gussin v. Nintendo of America, Inc.</i> , 1995 U.S. App. LEXIS 20666 (Fed. Cir. Aug. 3, 1995)	2
<i>Hogg v. Emerson</i> , 47 U.S. (6 How.) 437 (1848)	7
<i>Laitram Corp. v. NEC Corp.</i> , 1995 U.S. App. LEXIS 20649 (Fed. Cir. Aug. 4, 1995)	2
<i>Liardet v. Johnson</i> , K.B. (1778)	5, 6
<i>Loom Co. v. Higgins</i> , 105 U.S. 580 (1881)	6
<i>Lucas Aerospace, Ltd. v. Unison Industrial, L.P.</i> , 1995 U.S. Dist. LEXIS 8414 (D. Del. June 2, 1995)	9
<i>National Presto Industries, Inc. v. Black & Decker (U.S.), Inc.</i> , 1995 U.S. App. LEXIS 15568 (Fed. Cir. June 20, 1995)	2
<i>Neilson v. Hartford</i> , Webster Pat. Cas. 295 (1841) . .	4, 5
<i>Popeil Pasta Products Inc. v. Creative Technologies Corp.</i> , 1995 U.S. App. LEXIS 12929 (Fed. Cir. May 26, 1995)	2
<i>Regent Lighting Corp. v. FL Industries, Inc.</i> , 1995 U.S. App. LEXIS 13955 (Fed. Cir. June 2, 1995)	2

	Page
<i>Salt Lake Brine Shrimp, Inc. v. Sanders Brine Shrimp Co.</i> , 1995 U.S. App. LEXIS 14255 (Fed. Cir. June 7, 1995)	2
<i>Turner v. Winter</i> , 1 T.R. 602 (K.B. 1787)	5
<i>United States Surgical Corp. v. Ethicon, Inc.</i> , No. 94-2081 (Fed. Cir. Feb. 14, 1995) <i>petition for cert. filed</i> , June 20, 1995	2, 3
<i>Washburn v. Gould</i> , 29 Fed. Cas. 312 (C.C.D. Mass. 1844)	4
<i>Winans v. Denmead</i> , 56 U.S. (15 How.) 330 (1854) . .	7
<i>Winans v. New York & Erie R.R. Co.</i> , 62 U.S. (21 How.) 88 (1859)	6

Statutes

35 U.S.C. § 112	5
35 U.S.C. § 282(3)	5
35 U.S.C. § 303(b)	9
35 U.S.C. § 306	8
35 U.S.C. § 307	8
37 C.F.R. § 1.11(d)	9

Other Sources:

Adams & Averly, <i>The Patent Specification: The Role of Liardet v. Johnson</i> , 7 J. Leg. Hist. 156 (1986)	6
T. Brett, <i>Commentaries on the Present Laws of England</i> (2d ed. 1891)	4
E. W. Hulme, <i>On the History of Patent Law in the 17th and 18th Century</i> , 18 LAW QUARTERLY REVIEW 280 (1902)	5, 6
I J. Oldham, <i>THE MANSFIELD MANUSCRIPTS AND THE GROWTH OF ENGLISH LAW IN THE EIGHTEENTH CENTURY</i> (1992)	6

REPLY BRIEF OF PETITIONERS

This Reply Brief is submitted pursuant to Supreme Court Rule 15.6 to reply to new contentions advanced by Respondents' Brief in Opposition. Respondents do not dispute that the question presented in the Petition for *Certiorari* is sufficiently recurring and important to warrant this Court's review. Instead, respondents argue that this case "does not necessarily present that question," Opp. 4-5, and that the Federal Circuit, in any event, decided the question correctly. Opp. 6-15. Respondents also briefly suggest that review is inappropriate because the specific patent at issue has a "future" that is allegedly "uncertain." Opp. 15-16.

A. The Decision Below Announced a General Rule That Juries May Never Interpret Patents.

Respondents make the curious assertion that this case "does not necessarily present" the constitutional issue decided by the majority. Opp. 4. Obviously, the constitutional jury trial issue was squarely presented and expressly decided by the majority below. Indeed, the Federal Circuit *en banc* selected *sua sponte* this case as the appropriate vehicle to decide the jury trial issue which now controls every patent case in the Nation. It is hard to imagine a better vehicle for this Court's review of that issue.

Respondents repeatedly and mistakenly suggest that the decision below addressed nothing more than whether there was a genuine factual dispute with respect to the specific patent at issue.¹ That suggestion is inconsistent with the *en*

¹E.g., Opp. i (attempting to limit question presented to a "case where there was no reasonable dispute about the meaning of claim language"); Opp. 3 ("The documentary record revealed the one susceptible meaning of the claim"); Opp. 4 ("there was no genuine dispute over the meaning of the patent.").

banc decision below which states repeatedly that courts must interpret patents as a matter of law in every infringement action for damages, *e.g.* 5a, 30a, 36a. It is inconsistent with an expanding body of subsequent Federal Circuit precedent which routinely cites the decision below for the legal proposition that patent interpretation is exclusively a legal question to be decided by judges.² It is inconsistent with the views of other petitioners who seek review in this Court on the ground that their cases present the same Seventh Amendment question as does this case.³ It is inconsistent with the views of other respondents who argue not that the decision

²See, *e.g.*, *Laitram Corp. v. NEC Corp.*, 1995 U.S. App. LEXIS 20649, *8 (Fed. Cir. Aug. 4, 1995) (claim construction is a matter of law reviewed on appeal *de novo*) (citing *Markman*); *Graco, Inc. v. Binks Mfg. Co.*, 1995 U.S. App. LEXIS 16520, *13 (Fed. Cir. June 30, 1995) ("Claim construction is a matter of law exclusively for the court.") (citing *Markman*). Accord, *e.g.*, *Bell Communications Research, Inc. v. Vitalink Communications Corp.*, 55 F.3d 615, 619 (Fed. Cir. 1995) (following *Markman*); *Gussin v. Nintendo*, 1995 U.S. App. LEXIS 20666, *7 (Fed. Cir. Aug. 3, 1995) (same); *National Presto Indus., Inc. v. Black & Decker, Inc.*, 1995 U.S. App. LEXIS 15568, *6 (Fed. Cir. June 20, 1995) (same); *Salt Lake Brine Shrimp, Inc. v. Sanders Brine Shrimp Co.*, 1995 U.S. App. LEXIS 14255, *4 (Fed. Cir. June 7, 1995) (same); *Regent Lighting Corp. v. FL Indus., Inc.*, 1995 U.S. App. LEXIS 13955, *1 (Fed. Cir. June 2, 1995) (same); *Alan Tracy, Inc. v. Trans Globe Imports*, 1995 U.S. App. LEXIS 14253, *7 (Fed. Cir. June 2, 1995) (same); *Popeil Pasta Prods. Inc. v. Creative Technologies Corp.*, 1995 U.S. App. LEXIS 12929, *8 (Fed. Cir. May 26, 1995) (same).

³See, *e.g.*, Petition for a Writ of *Certiorari*, *United States Surgical Corp. v. Ethicon, Inc.*, No. 94-2081, at 13 ("*Markman's* deep and direct effect on the conduct of most patent trials makes it perhaps the single most important patent case decided by the CAFC in its history.").

below is insignificant or factbound, but who concede precisely the opposite.⁴ And, ultimately, it is inconsistent with respondents' own concession that the Federal Circuit held that "claim construction is a question of law for the court even when extrinsic evidence might be necessary to reveal the meaning of the claim." Opp. 3. That legal question is now the threshold issue in every infringement case.

Further, respondents' speculation about the existence of a genuine dispute, *i.e.*, the presence of substantial evidence supporting the jury's implied interpretation, is both wrong and beside the point, because neither the majority nor the district judge jettisoned the jury verdict on the basis of the substantial evidence rule. Instead, those courts decided only the threshold issue -- whether interpretive questions are for the judge or jury. 5a., 30a., 101a. After that threshold decision, the majority on appeal interpreted the patent *de novo* as a matter of law by considering the evidence. 41a.-43a. The majority did not hold or suggest that the jury interpretation was not supported by substantial evidence.⁵

B. The Decision Below Is Wrong on the Merits.

Respondents' position that the Seventh Amendment permits courts to interpret patents as a matter of law in every infringement case is not supported by the historical record or this Court's precedent.

⁴See, *e.g.*, Brief in Opposition, *Ethicon*, at 11.

⁵Of course, if this Court reverses the Federal Circuit on the Seventh Amendment question, it need not decide any sufficiency of evidence issue, but may remand for the trial court or the Federal Circuit to make that determination in the first instance. That issue is reached only when the threshold issue is resolved in favor of jury trial, contrary to the majority opinion. See Judge Newman's dissent at 159a.

1. Respondents totally ignore the historical record set forth in Judge Newman's dissent below, 115a.-135a., choosing to treat the confirmatory materials referenced in the Petition as the only relevant authority on the Seventh Amendment issues. Against this array of evidence, respondents cite dictum from a single decision, *Brooks v. Steele*, 14 R.P.C. 43, 73 (1896), that a question concerning a patent specification "has to be determined by the judge and not by a jury." Opp. 7-8.⁶ Even if the constitutional inquiry were directed to 1896, the *Brooks* dictum is unconvincing on its face: the court cited no authority for its allegedly "familiar" assertion about juries, and indeed noted that the assertion was "often disregarded" in actual practice. *Id.*

But *Brooks* was not decided until 1896, over a century after the Seventh Amendment was adopted and over five decades after the decisions in *Neilson v. Hartford*, Webster Pat. Cas. 295 (1841), and *Washburn v. Gould*, 29 Fed. Cas. 312 (C.C.D. Mass. 1844) (Storey, J.). At best, an 1896 decision could have only slight relevance to the historical inquiry mandated by the Seventh Amendment, especially as compared to earlier authority. But in the patent context, such a late decision is almost useless because, as respondents' own secondary authority explains, patent practice in England was substantially altered by the Patents Act of 1883. See T. Brett, *Commentaries on the Present Laws of England* 288, 289 n.1, 302 (2d ed. 1891).

Respondents' attempts to distinguish all of the more relevant cases are also unconvincing. Respondents contend

⁶Respondents' quotation from *Brooks* is dictum because *Brooks* involved a bench trial before an equity court; the case presented no question about the proper role of juries in infringement actions tried before juries.

primarily that *Liardet v. Johnson* K.B. (1778), *Turner v. Winter*, 1 T.R. 602 (K.B. 1787), and *Neilson v. Hartford*, Webster Patent Cas. 295 (1841), involved validity determinations based on the alleged insufficiency of the patent specification. Opp. 8-11. But respondents do not seriously dispute that those determinations (like infringement determinations) require the patent to be interpreted and that juries making those determinations performed that specific function in England in 1791. Pet. 13-15.

Respondents suggest that such jury determinations have "no modern correlate" because the PTO assesses the sufficiency of a specification under 35 U.S.C. § 112 in the application process. Opp. 9. An infringement defendant today, however, may assert the identical defense at issue in *Liardet*, *Turner* and *Neilson* -- that a patent is invalid because of inadequate specification. 35 U.S.C. § 282(3) (recognizing invalidity defense "for failure to comply with any requirement of section 112"). In any event, respondents fail to explain why a clear historical practice of juries interpreting patents in the validity context is not sufficiently "analogous" for Seventh Amendment purposes, *Granfinanciera, S.A. v. Nordberg*, 492 U.S. 33, 42 (1989), to require jury interpretation in the closely related infringement context which is governed by the identical interpretation.

Respondents' further attack on *Liardet* -- that Lord Mansfield's "instruction to the jury" was "dictum", Opp. 8 -- is equally unconvincing. Respondents err in asserting that the defendant in *Liardet* "did not raise a challenge to the sufficiency of the specification." Opp. 8. Respondents rely exclusively on a footnote from a single secondary source, which in turn relies upon a pamphlet published by plaintiff after the first trial in that case. See Hulme, *On the History*

of Patent Law in the 17th and 18th Centuries, 18 LAW QUARTERLY REVIEW 280, 285 n.2 (1902). But there was also a second trial in *Liardet*, in which Lord Mansfield himself confirmed that "[d]efendant's counsel attacked the [s]pecification for uncertainty," and in which he "left to the jury . . . all objections made to exactness, certainty and propriety of the Specification." See I J. Oldham, THE MANSFIELD MANUSCRIPTS AND THE GROWTH OF ENGLISH LAW IN THE EIGHTEENTH CENTURY, 755-56 (1992).⁷

2. Respondents argue that even where extrinsic evidence is properly considered and is genuinely conflicting, that evidence "does not change the character of claim construction as one of a pure legal issue for the judge." Opp. 12.⁸ In citing four cases where this Court allegedly "availed itself on appeal" of conflicting extrinsic evidence in interpreting a patent as a matter of law, Opp. 13, respondents misread each case. In three of the cases, this Court interpreted the relevant patent as a matter of law where its meaning was clear from the text of the patent alone. See *Loom Co. v. Higgins*, 105 U.S. 580, 586, 598 (1881); *Winans v. New York & Erie R.R. Co.*, 62 U.S. (21 How.) 88, 101 (1859);

⁷Respondents also suggest that *Liardet* is insignificant because it was not contemporaneously published. Opp. 8. That contention is especially odd, since respondents' own secondary sources discuss *Liardet* as a leading case of its time. See e.g., *Hulme, supra*, at 283-88; Adams & Averly, *The Patent Specification: The Role of Liardet v. Johnson*, 7 J. Leg. Hist. 156 (1986).

⁸Respondents acknowledge that four of the decisions cited by the majority below held only that courts may interpret patents as a matter of law "where the documentary record is capable of revealing the meaning of the patent." Opp. 11 and n. 10.

and *Hogg v. Emerson*, 47 U.S. (6 How.) 437, 484 (1848). In the fourth case, *Winans v. Denmead*, 56 U.S. (15 How.) 330 (1854), this Court did not interpret any patent term at all, but merely cited "uncontradicted" evidence to establish the "mode of operation" of the patent at issue. *Id.* at 342. Respondents trumpet a one-sentence dictum from *Winans v. Denmead*, Opp. 10, that patent interpretation is a "question of law" to be determined by the "letters-patent" and the "specification of claim annexed." 56 U.S. (15 How.) at 338. That dictum, however, simply does not address whether patent interpretation is legal or factual where genuinely conflicting extrinsic evidence is also at issue.

Respondents also cite similar language from a hornbook quoted in *Coupe v. Royer*, 155 U.S. 565 (1895). Opp. 11. Like *Winans v. Denmead*, however, *Coupe* involved no disputed claim construction issue. Moreover, to the extent that language from *Coupe* is relevant, respondents ignore that *Coupe* explicitly reaffirmed the controlling analytical framework of *Bischoff v. Wethered*, 76 U.S. (9 Wall) 812 (1870). As *Coupe* itself reiterated:

A case may be so clear that the court may feel no need of an expert to explain the terms of art or the descriptions contained in the respective patents, and may, therefore, feel authorized to leave the question of identity to the jury, under such general instructions as the nature of the documents seem to require. And in such plain cases the court would probably feel authorized to set aside a verdict unsatisfactory to itself, as against the weight of the evidence. But in all such cases the question still would be treated as a question of fact for the jury, and not a question of law for the court.

155 U.S. at 578-79, quoting *Bischoff*, 76 U.S. (9 Wall.) at 814. Respondents' perfunctory distinction of *Bischoff* as a case in which the interpretive question bore on a validity determination as opposed to an infringement determination, Opp. 14, is the same one asserted unconvincingly by the majority below. Pet. 18 n.14.

C. A Pending Reexamination Proceeding Is Irrelevant.

Citing a pending reexamination proceeding, respondents imply that this case is inappropriate for review because the patent may have an "uncertain future." Respondents' efforts to distract the Court on this irrelevant point should be rejected. The preliminary action of the examiner is not the decision of the PTO, but merely an early step in a long process which includes judicial review. 35 U.S.C. § 306. The claims of the Markman patent are now valid and will remain valid unless and until a "certificate of unpatentability" issues. 35 U.S.C. § 307. Such a certificate cannot issue until *after* the reexamination becomes final *after* judicial review.⁹ *Id.* This live and important case should not be denied review on the basis of respondents' speculation about a decision in the distant future.¹⁰

Infringement litigation and administrative reexamination routinely proceed on separate tracks, *e.g.*, *Ex parte Anderson*, 21 U.S.P.Q. 2d 1241, 1245 (B.P.A.I., 1991), and the PTO may not refuse to reexamine because infringement

⁹Mr. Markman will pursue judicial review if necessary.

¹⁰As the patent has already been upheld twice by the PTO in two previous proceedings, Mr. Markman anticipates that the current reexamination proceeding will ultimately be resolved in his favor resulting in the strengthening of his patent.

litigation is pending, *e.g.*, *Ethicon, Inc. v. Quigg*, 849 F.2d 1142 (Fed. Cir. 1988). Courts adjudicating infringement often refuse to grant a stay while reexamination is pending, particularly if the litigation is in a "late stage." *See e.g.*, *GPAC, Inc. v. D.W.W. Enterprises, Inc.*, 144 F.R.D. 60, 63-4 (D.N.J. 1992). It is inconceivable that both administrative and judicial review could be completed in time to affect this Court's consideration of this case. In the meantime, the patent remains alive and may be sued on.¹¹

Citation of the pending reexamination is purely a diversionary maneuver, designed to obscure the reality that following *Markman*, district courts throughout the Nation are now evaluating credibility and weighing evidence in interpreting patents as a matter of law, thus multiplying constitutional error. *See, e.g.*, *Elf Atochem North America, Inc. v. Libby-Owens Ford, Inc.*, 1995 WL 467522 (D. Del., Aug. 4, 1995); *Lucas Aerospace, Ltd. v. Unison Indus., L.P.*, 1995 U.S. Dist. LEXIS 8414 (D. Del. June 4, 1995).

¹¹Moreover, respondents never informed the Federal Circuit of the reexamination proceeding. While respondents allege that their discovery of that proceeding was made "recently," Opp. 16, they fail to acknowledge that notice of the pendency of the reexamination proceeding was publicly announced in the *Official Gazette* on October 19, 1993, and the PTO reexamination determination is a matter of public record. 35 U.S.C. § 303(b). *See also*, 37 C.F.R. § 1.11(d) (copies of the record in a reexamination proceeding are publicly available).

CONCLUSION

The Petition for a Writ of *Certiorari* should be granted.

Dated: August 23, 1995

Respectfully submitted,

Of Counsel

Lewis F. Gould, Jr.
Stephan P. Gribok
Eckert Seamans Cherin
& Mellott
1700 Market Street
Suite 3232
Philadelphia, PA 19103

William B. Mallin
Counsel of Record
Timothy P. Ryan
Timothy S. Coon
Eckert Seamans Cherin
& Mellott
600 Grant Street
42nd Floor
Pittsburgh, PA 15219

Attorneys for Petitioners
Herbert Markman and
Positek, Inc.